

INTERIM REPORT 2014



SUCCESS UNIVERSE GROUP LIMITED
實德環球有限公司


(Incorporated in Bermuda with limited liability)
Stock Code: 00487

UNLEASHING
GROWTH POTENTIAL



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CORPORATE INFORMATION

Directors

Executive Directors

Mr. Yeung Hoi Sing, Sonny (*Chairman*)
Dr. Ma Ho Man, Hoffman
(*Deputy Chairman*)

Non-executive Director

Mr. Choi Kin Pui, Russelle

Independent Non-executive Directors

Mr. Luk Ka Yee, Patrick
Mr. Yeung Mo Sheung, Ann
Mr. Chin Wing Lok, Ambrose

Company Secretary

Ms. Chiu Nam Ying, Agnes

Financial Controller

Mr. Wong Chi Keung, Alvin

Authorised Representatives

Dr. Ma Ho Man, Hoffman
Ms. Chiu Nam Ying, Agnes

Audit Committee

Mr. Chin Wing Lok, Ambrose
(*Chairman*)
Mr. Choi Kin Pui, Russelle
Mr. Luk Ka Yee, Patrick
Ms. Yeung Mo Sheung, Ann

Remuneration Committee

Mr. Luk Ka Yee, Patrick (*Chairman*)
Mr. Yeung Hoi Sing, Sonny
Mr. Choi Kin Pui, Russelle
Ms. Yeung Mo Sheung, Ann
Mr. Chin Wing Lok, Ambrose

Nomination Committee

Mr. Yeung Hoi Sing, Sonny (*Chairman*)
Mr. Choi Kin Pui, Russelle
Mr. Luk Ka Yee, Patrick
Ms. Yeung Mo Sheung, Ann
Mr. Chin Wing Lok, Ambrose

Executive Committee

Mr. Yeung Hoi Sing, Sonny (*Chairman*)
Dr. Ma Ho Man, Hoffman

Auditors

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Legal Advisers on Hong Kong Laws

Iu, Lai & Li

Legal Advisers on Bermuda Laws

Conyers Dill & Pearman

Principal Bankers

Chong Hing Bank Limited
Fubon Bank (Hong Kong) Limited
Royal Bank of Canada
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited

Principal Share Registrar and Transfer Agent in Bermuda

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and Principal Place of Business

Suite 1601-2 & 8-10, 16/F.
Great Eagle Centre
23 Harbour Road
Wanchai
Hong Kong

Share Listing

The Stock Exchange of Hong Kong Limited
Stock Code: 00487

Website

www.successug.com

OPERATIONAL HIGHLIGHTS

- Turnover achieved approximately HK\$730.6 million for the first half of 2014
- Gross profit increased by approximately 60% to approximately HK\$62.5 million
- Profit attributable to owners of the Company realised approximately HK\$47.7 million
- Earnings per share was 0.97 HK cents
- Driven by the FIFA World Cup 2014, lottery business grew by approximately 190% to approximately HK\$67.6 million; expanded into the telephone agency sales services of welfare lottery in Shanghai and Tianjin
- Adjusted EBITDA* of Ponte 16 increased by approximately 51% to approximately HK\$260.0 million; attributable to the steady growth in the number of visitors to Macau as well as the increase in gaming revenue from the mass market

* *Adjusted EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation (and excluded interest income from the pledged bank deposit)*



The board of directors (the “Board”) of Success Universe Group Limited (the “Company”) presents the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2014 together with comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2014

	Note	Unaudited For the six months ended	
		30/6/2014 HK\$'000	30/6/2013 HK\$'000
Turnover	4	730,560	834,679
Cost of sales		(668,099)	(795,745)
Gross profit		62,461	38,934
Other revenue and gains	5	16,722	101,727
Administrative expenses		(78,021)	(78,014)
Selling expenses		(3,894)	(859)
Other operating expenses	6(c)	(3,934)	(1,905)
(Loss)/profit from operations		(6,666)	59,883
Finance costs	6(a)	(1,720)	(6,429)
Share of results of joint ventures		122	173
Share of results of associates		56,284	12,088
Profit before taxation	6	48,020	65,715
Taxation	7	–	2,363
Profit for the period		48,020	68,078
Attributable to:			
Owners of the Company		47,724	70,896
Non-controlling interests		296	(2,818)
Profit for the period		48,020	68,078
Earnings per share			
– Basic	9	0.97 HK cents	1.69 HK cents
– Diluted	9	0.97 HK cents	1.69 HK cents

The accompanying notes form an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2014

	Unaudited	
	For the six months ended	
	30/6/2014	30/6/2013
	HK\$'000	HK\$'000
Profit for the period	48,020	68,078
Other comprehensive loss		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of overseas subsidiaries	(366)	(2,295)
Total other comprehensive loss for the period, net of tax	(366)	(2,295)
Total comprehensive income for the period	47,654	65,783
Attributable to:		
Owners of the Company	47,582	68,811
Non-controlling interests	72	(3,028)
Total comprehensive income for the period	47,654	65,783

The accompanying notes form an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2014

	Note	Unaudited at 30/6/2014 HK\$'000	Audited at 31/12/2013 HK\$'000
Non-current assets			
Property, plant and equipment	10	74,055	74,885
Goodwill	11	1,313	1,313
Intangible assets	12	30,678	34,527
Interest in associates	13	1,004,058	947,774
Interest in joint ventures	14	1,838	1,716
		1,111,942	1,060,215
Current assets			
Inventories		1,834	1,522
Trade and other receivables	15	163,957	45,962
Tax recoverable		384	381
Pledged bank deposits	16	11,444	10,804
Cash and cash equivalents	16	82,453	80,423
		260,072	139,092
Current liabilities			
Bank overdraft – secured	16	1,928	–
Trade and other payables	17	137,770	33,265
Deferred income		588	875
Profit guarantee liabilities	18	–	5,308
Bank loans – due within one year	19	630	608
Financial guarantee contract	21	19,995	19,995
Finance leases liabilities – current portion	22	24	24
		160,935	60,075
Net current assets		99,137	79,017
Total assets less current liabilities		1,211,079	1,139,232

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(CONTINUED)*

At 30 June 2014

	Note	Unaudited at 30/6/2014 HK\$'000	Audited at 31/12/2013 HK\$'000
Non-current liabilities			
Deferred income		–	146
Bank loans – due after one year	19	10,912	11,148
Loans payables	20	16,845	17,766
Deferred tax liabilities		530	526
Financial guarantee contract	21	39,993	49,990
Finance leases liabilities	22	96	107
Loan from a director and controlling shareholder		90,000	50,000
		158,376	129,683
Net assets			
		1,052,703	1,009,549
Capital and reserves			
Share capital	23	49,265	49,265
Reserves		982,601	935,459
Total equity attributable to owners of the Company			
		1,031,866	984,724
Non-controlling interests			
		20,837	24,825
Total equity			
		1,052,703	1,009,549

The accompanying notes form an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2014

	Attributable to owners of the Company						Total HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Distributable reserve HK\$'000	Capital redemption reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000			
At 1 January 2013 (Audited)	40,649	1,193,840	52,333	976	752	(546,916)	741,634	24,361	765,995
Issue of consideration shares (note 23(a))	5,506	91,391	-	-	-	-	96,897	-	96,897
Profit/(loss) for the period	-	-	-	-	-	70,896	70,896	(2,818)	68,078
Other comprehensive loss for the period	-	-	-	-	(2,085)	-	(2,085)	(210)	(2,295)
Total comprehensive income/(loss) for the period	-	-	-	-	(2,085)	70,896	68,811	(3,028)	65,783
At 30 June 2013 (Unaudited)	46,155	1,285,231	52,333	976	(1,333)	(476,020)	907,342	21,333	928,675
At 1 January 2014 (Audited)	49,265	1,418,963	52,333	976	(1,538)	(535,275)	984,724	24,825	1,009,549
Dividend paid to non-controlling shareholder	-	-	-	-	-	-	-	(4,500)	(4,500)
Acquisition of additional interests in a subsidiary (note 24)	-	-	-	-	-	(440)	(440)	440	-
Profit for the period	-	-	-	-	-	47,724	47,724	296	48,020
Other comprehensive loss for the period	-	-	-	-	(142)	-	(142)	(224)	(366)
Total comprehensive income/(loss) for the period	-	-	-	-	(142)	47,724	47,582	72	47,654
At 30 June 2014 (Unaudited)	49,265	1,418,963	52,333	976	(1,680)	(487,991)	1,031,886	20,837	1,052,703

The accompanying notes form an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2014

	Note	Unaudited	
		For the six months ended	
		30/6/2014 HK\$'000	30/6/2013 HK\$'000
Net cash used in operating activities		(25,100)	(23,482)
Net cash (used in)/generated from investing activities		(8,524)	1,095
Net cash generated from/(used in) financing activities		33,714	(69,193)
Net increase/(decrease) in cash and cash equivalents		90	(91,580)
Cash and cash equivalents at the beginning of the period		80,423	239,581
Effect of foreign exchange rate changes		12	525
Cash and cash equivalents at the end of the period	16	80,525	148,526

The accompanying notes form an integral part of these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2014

1. Organisation and Principal Activity

The Company was incorporated as an exempted company with limited liability in Bermuda on 27 May 2004 under the Companies Act 1981 of Bermuda and its issued shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activity of the Company is investment holding.

2. Basis of Preparation

The condensed consolidated financial statements for the six months ended 30 June 2014 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange and with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The condensed consolidated financial statements do not include all the information and disclosures required for annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2013 as contained in the Company’s Annual Report 2013 (the “Annual Report 2013”).

The preparation of the condensed consolidated financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

In preparing these condensed consolidated financial statements, the significant judgements, estimates and assumptions made by management were the same as those that applied to the consolidated financial statements for the year ended 31 December 2013.

The condensed consolidated financial statements are denominated in Hong Kong dollar (“HK\$”). Unless otherwise specifically stated, all amounts are presented in thousand.

3. Summary of Significant Accounting Policies

The accounting policies used in the preparation of the condensed consolidated financial statements are consistent with those used in the Annual Report 2013, except for the impact of the adoption of the new and revised HKASs, Hong Kong Financial Reporting Standards (“HKFRSs”), amendments and interpretations described below.

In the current interim period, the Group has applied, for the first time, a number of new and revised standards, amendments and interpretations (“New HKFRSs”) issued by the HKICPA, which are effective for the Group’s accounting period beginning on 1 January 2014.

The New HKFRSs adopted by the Group in the condensed consolidated financial statements are set out as follows:

HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting
HK (IFRIC) – Int 21	Levies

The application of the above New HKFRSs had no material effect on the results and financial positions of the Group for the current or prior accounting periods which have been prepared and presented. Accordingly, no prior period adjustment has been required.

3. Summary of Significant Accounting Policies *(Continued)*

The Group has not early applied the following New HKFRSs that have been issued but are not yet effective:

Amendments to HKFRSs	Annual Improvement to HKFRSs 2010-2012 Cycle ²
Amendments to HKFRSs	Annual Improvement to HKFRSs 2011-2013 Cycle ¹
HKFRS 9 and HKFRS 7 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ⁵
HKFRS 9	Financial Instruments ⁵
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations ³
HKFRS 14	Regulatory Deferral Accounts ³
HKFRS 15	Revenue from Contracts with Customer ⁴
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation ³
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants ³
HKAS 19 (Amendments)	Defined Benefits Plans: Employee Contribution ¹

¹ Effective for annual periods beginning on or after 1 July 2014

² Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

³ Effective for annual periods beginning on or after 1 January 2016

⁴ Effective for annual periods beginning on or after 1 January 2017

⁵ No mandatory effective date yet determined but is available for adoption

HKFRS 9 “Financial Instruments”

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

3. Summary of Significant Accounting Policies *(Continued)*

HKFRS 9 “Financial Instruments” (Continued)

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 “Financial Instruments: Recognition and Measurement” to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent reporting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities’ credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

The date when entities would be required to apply HKFRS 9 was previously stated at 1 January 2015. This mandatory effective date has been removed to provide sufficient time for preparers of financial statements to make the transition to the new requirements, which will now become effective from a later date yet to be announced.

3. Summary of Significant Accounting Policies *(Continued)*

The Group is in the process of assessing the potential impact of the above New HKFRSs upon initial application but is not yet in a position to state whether the above New HKFRSs will have a significant impact on the Group's results of operations and financial position.

4. Segment Information

Operating segments are identified on the basis of internal reports which provide information about components of the Group. This information are reported to and reviewed by the chief operating decision maker (the "CODM") for the purposes of resource allocation and performance assessment.

The CODM consider the business from both geographic and service perspective.

The Group has presented the following three reportable segments:

- Cruise ship leasing and management business: the leasing of cruise ship and the provision of cruise ship management services.
- Travel business: sales of air tickets and provision of travel-related services.
- Lottery business: provision of sports lottery sales agency services to the sports lottery market in the People's Republic of China ("PRC").

(a) Segment results and assets

In accordance with HKFRS 8, segment information disclosed in these condensed consolidated financial statements has been prepared in a manner consistent with the information used by the Group's CODM for the purposes of assessing segment performance and allocating resources among segments. In this regard, the Group's CODM monitors the results and assets attributable to each reportable segment on the following bases:

4. Segment Information *(Continued)*

(a) Segment results and assets (Continued)

Segment profit represents the profit from each segment without allocation of corporate administrative costs such as directors' salaries, share of results of associates and joint ventures, investment income and corporate finance costs. To arrive at reportable segment profit, the management additionally provide segment information concerning interest income, finance costs and major non-cash items such as depreciation, amortisation and impairment losses derived from reportable segments. Unallocated corporate income mainly comprises amortisation on financial guarantee contract, management fee income from an associate and other sundry income. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment. Taxation is not allocated to reportable segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments.

The revenue from external parties reported to the CODM is measured in a manner consistent with that in the condensed consolidated statement of profit or loss.

All assets are allocated to reportable segments other than current and deferred tax assets, tax recoverable, interest in associates and joint ventures. Unallocated corporate assets mainly included part of the property, plant and equipment, cash and cash equivalents of the central administration companies.

4. Segment Information (Continued)

(a) Segment results and assets (Continued)

Information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resource allocation and assessment of segment performance for the period is set out below:

	Cruise ship leasing and management Unaudited		Travel Unaudited		Lottery Unaudited		Elimination Unaudited		Total Unaudited	
	For the six months ended		For the six months ended		For the six months ended		For the six months ended		For the six months ended	
	30/6/2014 HK\$'000	30/6/2013 HK\$'000	30/6/2014 HK\$'000	30/6/2013 HK\$'000	30/6/2014 HK\$'000	30/6/2013 HK\$'000	30/6/2014 HK\$'000	30/6/2013 HK\$'000	30/6/2014 HK\$'000	30/6/2013 HK\$'000
Revenue from external customers and reportable segment revenue	44,500	42,000	618,452	769,359	67,608	23,320	-	-	730,560	834,679
Reportable segment profit/(loss)	878	2,145	(11,857)	(9,766)	7,825	(9,117)	572	568	(2,582)	(16,170)
Share of results of joint ventures									122	173
Share of results of associates									56,284	12,088
Unallocated corporate income									12,200	94,297
Unallocated corporate expenses									(16,611)	(18,609)
Finance costs									(1,393)	(6,064)
Consolidated profit before taxation									48,020	65,715
Taxation									-	2,363
Consolidated profit for the period									48,020	68,078

4. Segment Information (Continued)

(a) Segment results and assets (Continued)

	Cruise ship leasing and management		Travel		Lottery		Total	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	At	At	At	At	At	At	At	At
	30/6/2014	31/12/2013	30/6/2014	31/12/2013	30/6/2014	31/12/2013	30/6/2014	31/12/2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reportable segment assets	86,179	90,346	66,580	69,450	166,379	38,577	319,138	198,373
Unallocated corporate assets								
– Interest in associates							1,004,058	947,774
– Interest in joint ventures							1,838	1,716
– Tax recoverable							384	381
– Corporate assets							46,596	51,063
							1,372,014	1,199,307

(b) Other segment information

	Cruise ship leasing and management		Travel		Lottery		Other corporate entities		Total	
	Unaudited		Unaudited		Unaudited		Unaudited		Unaudited	
	For the six months ended		For the six months ended		For the six months ended		For the six months ended		For the six months ended	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013	30/6/2014	30/6/2013	30/6/2014	30/6/2013	30/6/2014	30/6/2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Interest income	26	20	9	3	4	15	35	326	74	364
Amortisation of intangible assets	–	–	(178)	(180)	–	–	–	–	(178)	(180)
Depreciation	(2,832)	(3,018)	(469)	(540)	(899)	(1,021)	(133)	(136)	(4,333)	(4,715)
Reversal of impairment loss recognised on other receivables	–	2,836	–	–	263	–	–	–	263	2,836
Impairment loss recognised on:										
– goodwill	–	–	–	(1,905)	–	–	–	–	–	(1,905)
– intangible assets	–	–	(3,934)	–	–	–	–	–	(3,934)	–
Finance costs	–	–	(343)	(365)	–	–	(1,377)	(6,064)	(1,720)	(6,429)
Additions to non-current assets*	958	18	14	234	2,542	149	31	91	3,545	492

* Additions to non-current assets only include the additions to property, plant and equipment during the period.

5. Other Revenue and Gains

	Unaudited	
	For the six months ended	
	30/6/2014 HK\$'000	30/6/2013 HK\$'000
Other Revenue:		
Interest income on bank deposits	74	364
Total interest income on financial assets not at fair value through profit or loss	74	364
Management fee income	333	541
Gain on disposal of property, plant and equipment	6	247
Gain on settlement of loans payables (<i>note 24</i>)	1,827	–
Other income	4,031	4,313
	6,271	5,465
Other Gains:		
Amortisation of financial guarantee contract	9,997	9,997
Gain on derecognition of a long-term payable	–	83,429
Net exchange gain	191	–
Reversal of impairment loss recognised on other receivables	263	2,836
	10,451	96,262
	16,722	101,727

6. Profit Before Taxation

Profit before taxation is arrived at after charging as follows:

	Unaudited	
	30/6/2014 HK\$'000	30/6/2013 HK\$'000
(a) Finance costs		
Interest on bank loans	327	365
Interest on bank overdraft	16	–
Interest on loan from a director and controlling shareholder	1,377	27
Interest on long-term payables	–	6,037
Total interest expenses on financial liabilities not at fair value through profit or loss	1,720	6,429
(b) Staff costs		
Salaries, wages and other benefits (including directors' emoluments)	39,127	39,103
Contributions to defined contribution retirement plan	1,460	1,608
	40,587	40,711
(c) Other items		
Auditors' remuneration		
– audit services	718	732
– other services	280	280
Bad debts written off	2,173	–
Depreciation on owned property, plant and equipment	4,318	4,711
Depreciation on leased property, plant and equipment	15	4
Amortisation of intangible assets	178	180
Operating lease rentals of		
– properties	5,104	4,973
– plant and machinery	346	329
Net exchange loss	–	389
Impairment loss recognised on goodwill*	–	1,905
Impairment loss recognised on intangible assets*	3,934	–

* This amount is included in "other operating expenses" on the face of the condensed consolidated statement of profit or loss.

7. Taxation In the Condensed Consolidated Statement of Profit or Loss

	Unaudited	
	For the six months ended	
	30/6/2014	30/6/2013
	HK\$'000	HK\$'000
Current tax:		
<i>Overseas Profits Tax:</i>		
Credit for the period	–	(2,363)

No Hong Kong Profits Tax, in which the subsidiaries operate, has been provided for the six months ended 30 June 2014 and 2013 as the Group has no estimated assessable profits for the periods.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

8. Dividends

The directors of the Company (“Directors”) do not recommend the payment of an interim dividend for the six months ended 30 June 2014 (for the six months ended 30 June 2013: nil).

No dividend payable to owners of the Company attributable to the previous financial year was approved and paid during the period.

9. Earnings Per Share

(a) *Basic earnings per share*

The calculation of basic earnings per share is based on the profit for the period attributable to owners of the Company of approximately HK\$47,724,000 (for the six months ended 30 June 2013: profit of approximately HK\$70,896,000) and on the weighted average number of approximately 4,926,491,000 ordinary shares (for the six months ended 30 June 2013: approximately 4,189,650,000 ordinary shares) in issue during the period.

9. Earnings Per Share *(Continued)*

(b) Diluted earnings per share

Diluted earnings per share equals to the basic earnings per share as there were no potential dilutive ordinary shares outstanding for the period presented.

10. Property, Plant and Equipment

	HK\$'000
Carrying amount as at 1 January 2013 (Audited)	83,544
Additions	492
Depreciation	(4,715)
Exchange alignment	(1,156)
Carrying amount as at 30 June 2013 (Unaudited)	78,165
Carrying amount as at 1 January 2014 (Audited)	74,885
Additions	3,545
Depreciation	(4,333)
Exchange alignment	(42)
Carrying amount as at 30 June 2014 (Unaudited)	74,055

11. Goodwill

	HK\$'000
Cost	
At 1 January 2013, 31 December 2013, 1 January 2014 and 30 June 2014	8,332
Accumulated impairment losses	
At 1 January 2013	(4,470)
Impairment loss for the year	(2,549)
At 31 December 2013, 1 January 2014 and 30 June 2014	(7,019)
Carrying amount	
At 30 June 2014 (Unaudited)	1,313
At 31 December 2013 (Audited)	1,313

11. Goodwill (Continued)

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to business segment as follows:

	Unaudited At 30/6/2014 HK\$'000	Audited At 31/12/2013 HK\$'000
Cruise ship management CGU	1,313	1,313
Travel CGU	–	–
	1,313	1,313

The recoverable amount of the CGU is determined on value in use calculations. These calculations use cash flow projections based on the financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

Key assumptions used for value in use calculations:

	Cruise ship management CGU	
	At 30/6/2014 %	At 31/12/2013 %
– Growth rate	Zero	Zero
– Pre-tax discount rate	5	5

The pre-tax discount rates reflect specific risks relating to the relevant segment.

Based on the impairment tests performed, the recoverable amount of the cruise ship management CGU are higher than its carrying amount based on value in use calculations. Therefore, no impairment on cruise ship management CGU is required (for six months ended 30 June 2013: nil).

11. Goodwill (Continued)

The travel CGU had been fully impaired in the year ended 31 December 2013 as its recoverable amount was lower than its carrying amount based on value in use calculation. Growth rate of 2% and pre-tax discount rate of 14.17% were used in the value in use calculation of travel CGU as at 31 December 2013.

12. Intangible Assets

	Trademark HK\$'000	Client list HK\$'000	Total HK\$'000
Cost			
At 1 January 2013	33,814	9,452	43,266
Exchange alignment	(2,480)	(694)	(3,174)
At 31 December 2013 and 1 January 2014	31,334	8,758	40,092
Exchange alignment	237	68	305
At 30 June 2014	31,571	8,826	40,397
Accumulated amortisation and impairment losses			
At 1 January 2013	–	(5,391)	(5,391)
Charge for the year	–	(356)	(356)
Impairment loss	(190)	(23)	(213)
Exchange alignment	–	395	395
At 31 December 2013 and 1 January 2014	(190)	(5,375)	(5,565)
Charge for the period	–	(178)	(178)
Impairment loss	(3,548)	(386)	(3,934)
Exchange alignment	(2)	(40)	(42)
At 30 June 2014	(3,740)	(5,979)	(9,719)
Carrying amount			
At 30 June 2014 (Unaudited)	27,831	2,847	30,678
At 31 December 2013 (Audited)	31,144	3,383	34,527

12. Intangible Assets *(Continued)*

Trademark

In accordance with HKAS 36 “Impairment of Assets” (“HKAS 36”), the Group completed its interim impairment test for the trademark by comparing its recoverable amount to its carrying amount as at 30 June 2014. The Group has conducted a valuation of the trademark based on the value in use calculations. With reference to the valuations carried out by Roma Appraisals Limited (“Roma”), an independent professional valuer, who has among the staff, fellow members of the Hong Kong Institute of Surveyors, the recoverable amount of the trademark was reduced to an amount equivalent to approximately HK\$27,831,000 (31 December 2013: approximately HK\$31,144,000). Therefore, an impairment loss equivalent to approximately HK\$3,548,000 was recognised for the period ended 30 June 2014 (for the six months ended 30 June 2013: nil). The recognition of impairment loss is mainly contributed by the decrease in revenue as previously expected due to a more competitive environment of the travel industry. Any adverse change in the assumptions used in the calculation of the recoverable amount would result in further impairment loss.

The valuation of the trademark is based on the relief-from-royalty method and uses cash flow projections based on financial estimates covering a five-year period, the expected sales deriving from the trademark in the travel CGU and a pre-tax discount of 17.45% (31 December 2013: 18.01%). The cash flows beyond the five-year period are extrapolated using a steady growth rate of 1.6% (31 December 2013: 2%). This growth rate does not exceed the long-term average growth rate for travel markets in which the Group operates. Management has considered the above assumptions and valuation and also taken into account the business plan going forward.

Client list

The Directors assessed that the client list having 15 years of useful lives from the date of acquisition. The Group has completed its interim impairment test for the client list by comparing the recoverable amount of the client list to its carrying amount as at 30 June 2014. The Group has conducted a valuation of the client list based on the value in use calculations. With reference to the valuations carried out by Roma, the recoverable amount of the client list was reduced to an amount equivalent to approximately HK\$2,847,000 (31 December 2013: approximately HK\$3,383,000). Therefore, an impairment loss equivalent to approximately HK\$386,000 was recognised for the period ended 30 June 2014 (for six months ended 30 June 2013: nil). The recognition of impairment loss is mainly contributed by the increase in contributory charge of fixed assets. Any adverse change in the assumptions used in the calculation of the recoverable amount would result in further impairment loss.

12. Intangible Assets (Continued)

Client list (Continued)

The valuation of the client list is based on the contributory charge method and uses cash flow projections based on financial estimates covering a five-year period, the expected sales deriving from the client list in the travel CGU and a pre-tax discount rate of 23% (31 December 2013: 21.41%). The cash flows beyond the five-year period are extrapolated using a steady growth rate of 1.6% (31 December 2013: 2%). This growth rate does not exceed the long-term average growth rate for travel markets in which the Group operates. Management has considered the above assumptions and valuation and also taken into account the business plan going forward.

13. Interest in Associates

	Note	Unaudited At 30/6/2014 HK\$'000	Audited At 31/12/2013 HK\$'000
Deemed capital contribution	(b)	99,978	99,978
Goodwill	(c)	19,409	19,409
Share of results of associates	(d)	28,252	–
		147,639	119,387
Amounts due from associates (note 25(b))	(d)	856,419	828,387
Amount shown under non-current assets		1,004,058	947,774

13. Interest in Associates (Continued)

- (a) The following list contains only the particulars of associates, all of which are unlisted corporate entities, which principally affected the results or assets of the Group:

Name of associate	Place of incorporation/ operations	Particulars of issued and paid up share capital	Proportion of ownership interest			Principal activity
			Group's effective interest %	Held by the Company %	Held by a subsidiary %	
Pier 16 – Entertainment Group Corporation Limited	Macau	2 shares of MOP24,000 and MOP1,000 respectively	49	–	49	Provision of management services for casino operations
Pier 16 – Gaming Promotion, Limited	Macau	1 share of MOP50,000	49	–	49	Provision of gaming promotion services
Pier 16 – Management Limited	Macau/ Hong Kong and Macau	2 shares of MOP24,000 and MOP1,000 respectively	49	–	49	Hotel management
Pier 16 – Property Development Limited ("Pier 16 – Property Development")	Macau	100,000 shares of MOP100 each	49	–	49	Property holding

- (b) The deemed capital contribution is referred to the financial guarantee contract (note 21) granted by the Group to the associates.

(c) *Goodwill*

Because goodwill is included in the carrying amount of the interest in associates and is not separately recognised, it is not tested for impairment separately by applying the requirements for impairment testing in HKAS 36. Instead, the entire carrying amount of the interest in associates is tested for impairment as set out in note 13(e) below.

13. Interest in Associates *(Continued)*

- (d) The amounts due from associates are unsecured, interest-free and have no fixed terms of repayment. Their carrying amounts are not materially different from their fair value. For the year ended 31 December 2013, the amount is represented by amounts due from associates of approximately HK\$856,419,000 after set-off with the share of accumulated losses of associates of approximately HK\$28,032,000.

The share of results of associates was approximately HK\$56,284,000 for the period ended 30 June 2014 and the amount was recognised after set-off with the share of accumulated losses of associates of approximately HK\$28,032,000 which was set-off in the amounts due from associates in the prior year.

(e) *Impairment test for interest in associates*

The Group completed its interim impairment test for interest in associates by comparing the recoverable amount of interest in associates to its carrying amount as at 30 June 2014. The Group has engaged Roma to carry out a valuation of the interest in associates as at 30 June 2014 based on the value in use calculations. This valuation uses cash flow projections based on financial estimates covering a five-year period, and a pre-tax discount rate of 16.10% (31 December 2013: 17.00%). The cash flows beyond the five-year period are extrapolated using a steady growth rate of 4.28% (31 December 2013: 4.28%) for the casino and hotel industries in which are operated by associates. Management has considered the above assumptions and valuation and also taken into account the business plan going forward.

14. Interest in Joint Ventures

	Note	Unaudited At 30/6/2014 HK\$'000	Audited At 31/12/2013 HK\$'000
Share of net assets		1,168	1,046
Amount due from a joint venture (note 25(b))	(b)	11,370	11,370
Impairment loss	(c)	12,538 (10,700)	12,416 (10,700)
		1,838	1,716

(a) Details of the Group's interest in the joint ventures are as follows:

Name of joint venture	Form of business structure	Place of incorporation	Particulars of issued and paid up share capital	Group's effective interest %	Principal activity
Surplus Win Enterprises Limited	Incorporated	British Virgin Islands	2 shares of US\$1 each	50	Investment holding
Double Diamond International Limited	Incorporated	British Virgin Islands	100 shares of US\$1 each	40	Operation of pier

(b) The amount due from a joint venture is unsecured, interest-free and has no fixed terms of repayment.

(c) The Group has advanced HK\$12 million to the joint venture to finance the acquisition of certain assets. The advance was unsecured and interest-free. In the opinion of the Directors, the Group will not demand for repayment within twelve months from 30 June 2014 and is therefore classified as non-current assets. As at 30 June 2014, the accumulated impairment loss of interest in joint ventures was approximately HK\$10.7 million (31 December 2013: approximately HK\$10.7 million) and is considered to be adequate as there are no indication for further impairment. The recoverable amount of this advance is determined based on the net cash flows from operations estimated by management for the coming five years.

15. Trade and Other Receivables

Included in trade and other receivables, the aging analysis for trade receivables is as follows:

	Unaudited At 30/6/2014 HK\$'000	Audited At 31/12/2013 HK\$'000
Current	83,489	13,862
31 to 60 days overdue	4,509	2,274
61 to 90 days overdue	1,011	2,699
Over 90 days overdue	634	602
Trade receivables	89,643	19,437
Other receivables	57,496	16,414
Prepayments and deposits	16,818	10,111
	163,957	45,962

All of the trade and other receivables are expected to be recovered within one year.

The Group normally allows an average credit period of 30 to 60 days to customers of cruise ship leasing and management as well as lottery businesses (31 December 2013: 30 to 60 days) and 30 days to customers of travel business (31 December 2013: 30 days).

16. Pledged Bank Deposits/Cash and Cash Equivalents/Bank Overdraft

	Unaudited At 30/6/2014 HK\$'000	Audited At 31/12/2013 HK\$'000
Cash and bank balances	82,453	55,908
Non-pledged bank deposits	–	24,515
Pledged bank deposits	11,444	10,804
	93,897	91,227
Less: Pledged bank deposits	(11,444)	(10,804)
Bank overdraft – secured	(1,928)	–
Cash and cash equivalents in the condensed consolidated statement of cash flows	80,525	80,423

Included in cash and bank balances as at 30 June 2014 is an amount denominated in Renminbi (“RMB”) of approximately RMB9.1 million (equivalent to approximately HK\$11.5 million) (31 December 2013: approximately RMB1.9 million, equivalent to approximately HK\$2.4 million). Remittance of RMB out of PRC is subject to exchange restrictions imposed by the PRC government.

17. Trade and Other Payables

Included in trade and other payables, the aging analysis for trade payables is as follows:

	Unaudited At 30/6/2014 HK\$'000	Audited At 31/12/2013 HK\$'000
Current	18,005	8,796
31 to 60 days	1,224	911
61 to 90 days	499	361
Over 90 days	257	192
Trade payables	19,985	10,260
Accrued charges and other payables	117,785	23,005
Financial liabilities measured at amortised cost	137,770	33,265

18. Profit Guarantee Liabilities

	HK\$'000
Carrying amount	
At 1 January 2014 (Audited)	5,308
Payment to SBI Macau Holdings Limited under the profit guarantee	(5,308)
At 30 June 2014 (Unaudited)	–

	Unaudited At 30/6/2014 HK\$'000	Audited At 31/12/2013 HK\$'000
Current liabilities	–	5,308

The profit guarantee liabilities are carried at amortised cost.

19. Bank Loans

	Unaudited At 30/6/2014 HK\$'000	Audited At 31/12/2013 HK\$'000
Bank loans, secured	11,542	11,756

19. Bank Loans (Continued)

The maturity of the above borrowings is as follow:

	Unaudited At 30/6/2014 HK\$'000	Audited At 31/12/2013 HK\$'000
Carrying amount repayable:		
Within one year	630	608
More than one year, but not exceeding two years	667	643
More than two years, but not more than five years	1,708	1,773
More than five years	8,537	8,732
	11,542	11,756
Less: Amounts shown under current liabilities	(630)	(608)
Amounts shown under non-current liabilities	10,912	11,148

20. Loans Payables

	Note	Unaudited At 30/6/2014 HK\$'000	Audited At 31/12/2013 HK\$'000
Loans from non-controlling shareholders:			
– Mrs. Yung Yuen Ping Kwok	(i)	–	2,538
– SABC Holdings Ltd.	(ii)	9,539	7,922
– Up Fly Limited (“Up Fly”)	(iii)	7,306	7,306
Amounts shown under non-current liabilities		16,845	17,766

20. Loans Payables *(Continued)*

Notes:

- (i) Mrs. Yung Yuen Ping Kwok is a non-controlling shareholder of an indirect non-wholly owned subsidiary of the Company, namely 665127 British Columbia Ltd. ("665127 BC Ltd."). The loan was unsecured, interest-free and has been settled during the period. The details please refer to note 24 to the condensed consolidated financial statements.
- (ii) SABC Holdings Ltd. is a non-controlling shareholder of an indirect non-wholly owned subsidiary of the Company, namely 665127 BC Ltd.. The loan is unsecured, interest-free and not expected to be settled within one year.
- (iii) Up Fly is a non-controlling shareholder of an indirect non-wholly owned subsidiary of the Company, namely Honour Rich China Development Limited. The loan is unsecured, interest-free and not expected to be settled within one year.

The carrying amounts of the loans payables are approximately to their fair value.

21. Financial Guarantee Contract

	HK\$'000
Carrying amount	
At 1 January 2013 (Audited)	89,980
Amortisation for the year	(19,995)
At 31 December 2013 and 1 January 2014 (Audited)	69,985
Amortisation for the period	(9,997)
At 30 June 2014 (Unaudited)	59,988

21. Financial Guarantee Contract (Continued)

	Unaudited At 30/6/2014 HK\$'000	Audited At 31/12/2013 HK\$'000
Current liabilities	19,995	19,995
Non-current liabilities	39,993	49,990
	59,988	69,985

In 2012, the Company gave a corporate guarantee (the “Guarantee”) to a bank in respect of the syndicated loan facilities of HK\$1,900 million and RMB400 million granted to Pier 16 – Property Development (the “Syndicated Loan Facilities”). The maximum guarantee amount borne by the Company under the Guarantee was HK\$1,176 million.

The outstanding loan under the Syndicated Loan Facilities as at 30 June 2014 was approximately HK\$923.9 million (31 December 2013: approximately HK\$1,048.8 million). The contingent liabilities were disclosed in note 27.

Based on the valuation performed by Roma, the Directors considered that the fair value of the financial guarantee contract was approximately HK\$100.0 million at the date of issuance of financial guarantee contract with a corresponding increase in its interest in associates as deemed capital contribution.

The carrying amount of the financial guarantee contract recognised in the Group’s condensed consolidated statements of financial position was in accordance with HKAS 39 “Financial Instruments: Recognition and Measurement” and is carried at amortised cost.

No provision for financial guarantee contracts have been made at 30 June 2014 as the default risk is low (31 December 2013: nil).

22. Finance Lease Liabilities

The Group leases property, plant and equipment under finance lease. The lease terms are 6 years with no interest underlying from the date of purchase. The future minimum lease payment is as follows:

	Unaudited At 30/6/2014 HK\$'000	Audited At 31/12/2013 HK\$'000
Within one year	24	24
In the second to fifth years inclusive	96	96
Over five years	–	11
	120	131
Less: Amount shown under current liabilities	(24)	(24)
Amount shown under non-current liabilities	96	107

23. Share Capital

	Number of shares '000	Nominal value HK\$'000
Notes		
Authorised:		
Ordinary shares of HK\$0.01 each		
At 1 January 2013, 31 December 2013, 1 January 2014 and 30 June 2014 (unaudited)	160,000,000	1,600,000
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
At 1 January 2013	4,064,940	40,649
Allotment and issue of consideration shares	(a, b) 861,551	8,616
At 31 December 2013, 1 January 2014 and 30 June 2014 (unaudited)	4,926,491	49,265

23. Share Capital *(Continued)*

Notes:

- (a) The Company issued consideration shares of 550,546,025 new ordinary shares in relation to the World Fortune Acquisition (as defined in note 39(a) to the Annual Report 2013) in May 2013.
- (b) The Company issued consideration shares of 311,004,784 new ordinary shares in relation to the Golden Sun Acquisition (as defined in note 39(b) to the Annual Report 2013) in October 2013.

24. Acquisition of the Interest in a Subsidiary

In March 2014, 665127 BC Ltd. entered into a share repurchase agreement with one of its non-controlling shareholders to repurchase her entire equity interest in 665127 BC Ltd., namely 600 common shares without par value, at a cash consideration of CAD6 (equivalent to approximately HK\$42) from that non-controlling shareholder (the "Share Repurchase"). The Group recognised a decrease in the equity attributable to the owners of the Company of approximately CAD62,000 (equivalent to approximately HK\$440,000) and a corresponding increase in non-controlling interests of approximately CAD62,000 (equivalent to approximately HK\$440,000).

Besides, the said non-controlling shareholder assigned to 1338 Successful Venture Ltd., an indirect wholly-owned subsidiary of the Company and the immediate holding company of 665127 BC Ltd., an approximately 85.1% interest in all of her right, title and interest in and to a debt of CAD300,000 (equivalent to approximately HK\$2.2 million) owed by a wholly-owned subsidiary of 665127 BC Ltd. as of the date of the Share Repurchase at a consideration of CAD1 (equivalent to approximately HK\$7). The Group recognised a gain on settlement of loans payables of approximately CAD255,000 (equivalent to approximately HK\$1.8 million) (note 5).

Immediately after the Share Repurchase, the Company increased its effective beneficial interest in 665127 BC Ltd. from 80% to approximately 85.1%.

25. Related Party Transactions

- (a) The Group had the following transactions with the related parties during the period:

	Note	Unaudited For the six months ended	
		30/6/2014 HK\$'000	30/6/2013 HK\$'000
Management fee income received and receivable from an associate	(i)	333	541
Interest expenses paid to a director and controlling shareholder	(iv)	1,377	27

- (b) The outstanding balances with related parties at 30 June 2014 and 31 December 2013 are as follows:

	Note	Unaudited At 30/6/2014 HK\$'000	Audited At 31/12/2013 HK\$'000
Amounts due from associates	13(d)	856,419	856,419
Amount due from a joint venture	14(b)	11,370	11,370
Other receivable from a related party	(ii)	5,867	5,867
Other payable to a director of a subsidiary of the Company	(iii)	–	1,459
Loan from a director and controlling shareholder	(iv)	90,000	50,000

25. Related Party Transactions *(Continued)*

(b) (Continued)

Notes:

- (i) The management fee was charged on actual cost incurred by the Group for provision of management and technical services.
- (ii) The amount of receivable is from the ultimate beneficial owner of Up Fly (the “JV Partner”) for his on-lending to a joint venture company of which the Company and the JV Partner indirectly held 80% and 20% interests respectively (the “JV Company”). The amount is secured by 20% equity interest of the JV Company, interest-free and has no fixed repayment terms.
- (iii) A short-term loan agreement was entered into between a director of a subsidiary of the Company (“Director of the Subsidiary”) and a subsidiary of the Company. The Director of the Subsidiary provided a short-term loan to one of subsidiary of the Company for its general working capital. The loan was unsecured, interest-free and has been repaid in January 2014.
- (iv) The loan is unsecured and charged with interest at the prime rate quoted for Hong Kong dollars loans by The Hongkong and Shanghai Banking Corporation Limited. The final repayment date of the loan and all other sums owing to Mr. Yeung Hoi Sing, Sonny, being a director and a controlling shareholder of the Company, was further extended to 31 October 2016 by a letter agreement dated 21 March 2014.

25. Related Party Transactions *(Continued)*

(c) Key management personnel compensation

Compensation for key management personnel, including amounts paid to the Directors, senior management of the Company and certain of the highest paid employees, is as follows:

	Unaudited	
	For the six months ended	
	30/6/2014 HK\$'000	30/6/2013 HK\$'000
Salaries and other short-term employee benefits	3,153	3,429
Retirement benefit scheme contributions	47	53
Total emoluments are included in "staff costs"	3,200	3,482

26. Commitments

- (a) There is no capital commitments outstanding at 30 June 2014 not provide for in the condensed consolidated financial statements (31 December 2013: nil).
- (b) At 30 June 2014, the total future minimum lease payments under non-cancellable operating leases for the Group are payable as follows:

	Unaudited	Audited
	At 30/6/2014 HK\$'000	At 31/12/2013 HK\$'000
Within one year	4,435	6,144
In the second to fifth years, inclusive	2,468	903
	6,903	7,047

The Group lease certain office premises and equipment under operating leases. The leases typically run for period ranging from two to five years. None of leases includes contingent rentals.

27. Contingent Liabilities

In 2012, the Company gave a Guarantee to a bank in respect of the Syndicated Loan Facilities. The maximum guarantee amount borne by the Company under the Guarantee was HK\$1,176 million. The outstanding loan under the Syndicated Loan Facilities as at 30 June 2014 was approximately HK\$923.9 million (31 December 2013: approximately HK\$1,048.8 million).

28. Pledge of Assets

As at 30 June 2014, the Group had secured the following assets:

- (a) The Group pledged the time deposits of equivalent to approximately HK\$10.3 million (31 December 2013: equivalent to approximately HK\$9.7 million) to certain banks for the issuance of several bank guarantees, a standby letter of credit and overdraft facility of equivalent to approximately HK\$11.7 million (31 December 2013: equivalent to approximately HK\$11.6 million) for the operations of the Group;
- (b) World Fortune Limited, an indirect wholly-owned subsidiary of the Company, pledged all (31 December 2013: all) of its shares in Pier 16 – Property Development to a bank, for and on behalf of the syndicate of lenders, in respect of the Syndicated Loan Facilities;
- (c) The Group's self-occupied properties with a carrying amount of equivalent to approximately HK\$17.4 million (31 December 2013: equivalent to approximately HK\$17.4 million) together with a time deposit equivalent to approximately HK\$1.1 million (31 December 2013: equivalent to approximately HK\$1.1 million) were pledged to a bank to secure bank loans to Jade Travel Ltd., an indirect non-wholly owned subsidiary of the Company which was incorporated in Canada ("Jade Travel, Canada"); and
- (d) The Group's certain assets with a carrying amount of equivalent to approximately HK\$0.1 million (31 December 2013: equivalent to approximately HK\$0.1 million) was pledged to secure a finance lease to Jade Travel, Canada.

29. Seasonality

The turnover of the Group's travel business is subject to seasonal fluctuations, with peak demand during the holiday season whereas the Group's cruise ship leasing and management business is subject to relatively lower degree of seasonal volatility.

30. Event After the Reporting Period

On 2 July 2014, Capture Success Limited, an indirect non-wholly owned subsidiary of the Company, entered into an agreement with an independent third party to dispose of its cruise ship at a consideration of HK\$93.0 million. The disposal was completed on 20 August 2014.

31. Comparatives

Certain comparative amounts have been reclassified to conform with the current period's presentation.

INDEPENDENT REVIEW REPORT



國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

TO THE BOARD OF DIRECTORS OF SUCCESS UNIVERSE GROUP LIMITED

(Incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 4 to 41, which comprise the condensed consolidated statement of financial position of Success Universe Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as of 30 June 2014 and the related condensed consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

HLB Hodgson Impey Cheng Limited

Certified Public Accountants

Shek Lui

Practicing Certificate Number: P05895

Hong Kong, 28 August 2014

MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2014, the economy of China continued to grow steadily, and that drove the rapid development in gaming, entertainment and tourism industries in Greater China. The dual growth drivers of the Group, namely the lottery business in China and the flagship investment project Ponte 16 in Macau, were able to capture the opportunities and achieve improved performance on the back of such stable economic development. Stimulated by the global event FIFA World Cup 2014, the Group's lottery business in China recorded a substantial growth. On the other hand, the gaming and tourist-related industries of Macau stayed buoyant, which led to encouraging results in Ponte 16.

Results

For the six months ended 30 June 2014, the Group recorded a turnover of approximately HK\$730.6 million, representing approximately 12% decrease from approximately HK\$834.7 million for the same period of 2013. Gross profit increased by approximately 60% to approximately HK\$62.5 million (2013: approximately HK\$38.9 million). Shared profit of the associates relating to Ponte 16 for the first half of 2014 was approximately HK\$56.3 million, approximately 366% increase compared with approximately HK\$12.1 million for the last corresponding period. Notwithstanding the increase in the Group's gross profit and the shared profit of the associates relating to Ponte 16, the results of the Group was affected by the non-recurrence of the gain from derecognition of a long-term payable pursuant to the exercise of option by Maruhan Corporation of approximately HK\$83.4 million recorded in the first half of 2013. Profit attributable to owners of the Company of approximately HK\$47.7 million was recorded, representing a decrease of approximately 33% (2013: approximately HK\$70.9 million). Earnings per share for the reporting period was 0.97 HK cents (2013: 1.69 HK cents).

Interim Dividend

The directors of the Company ("Director(s)") do not recommend the payment of an interim dividend for the six months ended 30 June 2014 (2013: nil).

Review of Operations

Travel Business

The Group runs one of the largest travel agencies in North America with a focus on high-end MICE (Meeting, Incentive, Convention and Exhibition) and FIT (Free Independent Traveller) segments. During the reporting period, the North American market experienced slow recovery. The sluggish sentiment resulted in financial difficulties of a number of travel agencies in the market. Amidst such environment, turnover of the segment recorded approximately HK\$618.5 million (2013: approximately HK\$769.4 million). Loss in this segment posted approximately HK\$11.9 million (2013: approximately HK\$9.8 million) including an impairment loss on intangible assets of approximately HK\$3.9 million and bad debts written off of approximately HK\$2.2 million (2013: impairment loss on goodwill of approximately HK\$1.9 million) which were recognised for the reporting period.

Cruise Ship Business

The cruise ship, M.V. Macau Success, (in which the Group had a 55% interest as at 30 June 2014) operates from Hong Kong to international waters on a daily basis. For the six months ended 30 June 2014, turnover of the cruise ship business was approximately HK\$44.5 million, representing an increase of approximately 6% (2013: approximately HK\$42.0 million). The business recorded a profit of approximately HK\$0.9 million for the reporting period as compared with approximately HK\$2.1 million for the last corresponding period.

On 2 July 2014, the Company announced the disposal of the cruise ship at a consideration of HK\$93.0 million.

Lottery Business

The Group has successfully tapped into welfare lottery business during the reporting period, whilst offering sports lottery sales agency services in Jiangxi, Qinghai and Heilongjiang provinces.

Review of Operations *(Continued)*

Lottery Business (Continued)

The robust growth momentum of lottery industry in China sustained into 2014. For the first half of 2014, lottery sales in China surged by approximately 19.2% year-on-year to approximately RMB178.4 billion. Amongst which, sports lottery sales grew by approximately 24.1% to approximately RMB79.9 billion; this strong sales growth was partly attributable to the FIFA World Cup that started in June 2014. Welfare lottery sales increased by approximately 15.5% to approximately RMB98.5 billion.

With a focus to seize the growth momentum in the market during the reporting period, the lottery business of the Group achieved encouraging results. For the six months ended 30 June 2014, turnover of the lottery business amounted to approximately HK\$67.6 million, representing an increase of approximately 190% (2013: approximately HK\$23.3 million); segment profit of approximately HK\$7.8 million was recorded (2013: loss of approximately HK\$9.1 million).

To ride on the global fever for the FIFA World Cup 2014, the Group launched a broadcasting channel to provide football commentary on its specialised online portal 128cai.com as part of the marketing programmes of the Group during the reporting period. A series of football-related promotional campaigns were also organised via WeChat, a popular social media. The Group's endeavour was well-received by lottery players and successfully attracted strong sales in its sports lottery segment for the FIFA World Cup games.

In addition to the existing sports lottery sales agency services, the Group expanded into the telephone agency sales services of welfare lottery in Shanghai and Tianjin in the first half of 2014. The testing of the technology service platform for the welfare lottery is expected to be completed in the second half of 2014. The venture into welfare lottery market has opened up new revenue streams for the Group and strengthened its competitiveness in the lottery market in China.

Review of Operations *(Continued)*

Lottery Business (Continued)

The Group entered into a cooperation agreement with 北京中投視訊文化傳媒有限公司 (Beijing Zhongtoushixun Culture Media Co., Ltd) (“CNLive”) and 北京天潤瑞怡文化發展有限公司 (Beijing Rejoy Culture Development Co., Ltd) (“Rejoy Culture”) to promote the lottery agency sales of the Group in early 2014. This collaboration has strengthened the distribution capability of the Group by leveraging on the enormous customer base and the technology expertise of CNLive and Rejoy Culture in the mobile internet industry.

Investment Project – Ponte 16

Ponte 16, the flagship investment project of the Group, is a world-class integrated casino-entertainment resort situated in the World Heritage Site of Macau. During the reporting period, positioning Ponte 16 as a leisure and entertainment destination for tourists and families continued to be the vision of the Group.

Market conditions remained favourable in the first half of 2014. During the reporting period, total number of visitors from China to Macau increased by approximately 14.7% year-on-year to 10.2 million; Macau gross gaming revenue grew by approximately 12.6% year-on-year to approximately MOP193.1 billion, mainly fuelled by the strong momentum of the mass segment, where Ponte 16 focused its resources on in the midterm.

Adjusted EBITDA* of Ponte 16 increased by approximately 51% to approximately HK\$260.0 million for the six months ended 30 June 2014 (2013: approximately HK\$172.5 million). This was mainly attributable to the steady growth in the number of visitors to Macau as well as the increase in gaming revenue from the mass market.

As at 30 June 2014, the casino of Ponte 16 had 109 gaming tables, 84 of which were mass gaming tables, 9 were high-limit tables and 16 were VIP tables. Average occupancy rate of Sofitel Macau At Ponte 16 stayed at over 90% in the first half of 2014.

* *Adjusted EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation (and excluded interest income from the pledged bank deposit)*

Review of Operations *(Continued)*

Investment Project – Ponte 16 (Continued)

Thanks to the support from tourists all over the world, Sofitel Macau At Ponte 16 earned a number of reputable industry awards as of 30 June 2014, which included “China Hotel Award 2014” by China LifeStyle magazine, “2014 Certificate of Excellence” by “Daodao.com” (the official Chinese website of TripAdvisor), “Best Business Hotel 2013” by National Geographic Traveler, “Rakuten Travel Award 2013 – Entertainment Award” by Rakuten Travel (the largest online travel site in Japan), “Outstanding Hotel Partner Award 2013” and “Best Guest Review 2013” by Booking.com, “Macau Energy Saving Contest 2013 – Excellence Award of Hotel” by Companhia de Electricidade de Macau (CEM) and “2013 Macau Green Hotel Bronze Award” by Macao Environmental Protection Bureau (DSPA). The fine dining restaurant, Privé was awarded “100 Top Tables 2014” by South China Morning Post. These awards not only certified the positioning of Ponte 16 as a five-star resort, but also demonstrated its efforts on developing a greener society.

As part of the ongoing efforts of Ponte 16 in strengthening its position as an integrated cultural, leisure and entertainment destination, a series of marketing events were introduced in the reporting period. A new Cantonese restaurant, Le Chinois, was opened in January 2014 with an aim to enhance the culinary experience of guests. Ponte 16 also launched an online travel magazine “Macau Hot Spot P16” in April 2014, guiding travellers to discover the inner beauty of Macau. The magazine has been broadcasted through various popular channels such as Facebook, Youtube, Weibo, Tudou and Tencent.

Financial Review

Liquidity, Financial Resources and Gearing

As at 30 June 2014, the Group had net current assets of approximately HK\$99.1 million (31 December 2013: approximately HK\$79.0 million) and net assets of approximately HK\$1,052.7 million (31 December 2013: approximately HK\$1,009.6 million).

Financial Review *(Continued)*

Liquidity, Financial Resources and Gearing (Continued)

On 1 December 2008, Mr. Yeung Hoi Sing, Sonny (“Mr. Yeung”, being a Director and a controlling shareholder of the Company) provided a HK\$200 million term loan facility to the Company which is unsecured and charged with interest at the prime rate quoted for Hong Kong dollars loans by The Hongkong and Shanghai Banking Corporation Limited. The principal amount of the loan facility was increased up to HK\$290 million on 14 April 2009 and the final repayment date of the loan and all other sums owing to Mr. Yeung under the revised loan facility was further extended from 31 October 2014 to 31 October 2016 by a letter agreement dated 21 March 2014. As at 30 June 2014, the Company had owed to Mr. Yeung in the amount of approximately HK\$90.0 million (31 December 2013: approximately HK\$50.0 million).

Jade Travel Ltd. (“Jade Travel, Canada”, being an indirect non-wholly owned subsidiary of the Company which was incorporated in Canada) was granted secured bank loans which carry fixed interest rates and the loans shall be repayable by consecutive monthly instalments. The proceeds of the loans were to finance the acquisition of the properties of Jade Travel, Canada and their renovation costs. In addition, Jade Travel, Canada purchased a certain asset under a finance lease which shall be repayable by consecutive monthly instalments. As at 30 June 2014, the outstanding bank loans and finance lease liabilities were approximately CAD1.6 million and CAD16,000 (equivalent to approximately HK\$11.5 million and HK\$0.1 million) respectively (31 December 2013: approximately CAD1.6 million and CAD18,000 (equivalent to approximately HK\$11.8 million and HK\$0.1 million) respectively). Besides, as at 30 June 2014, the outstanding secured bank overdraft which carries floating interest rates for Jade Travel, Canada was approximately CAD262,000 (equivalent to approximately HK\$1.9 million) (31 December 2013: nil).

Apart from the aforesaid loans and overdraft, as at 30 June 2014, there were loans from non-controlling shareholders of approximately CAD1.3 million and HK\$7.3 million, totally equivalent to approximately HK\$16.8 million (31 December 2013: approximately CAD1.4 million and HK\$7.3 million, totally equivalent to approximately HK\$17.8 million). The loans were interest-free and unsecured.

As at 30 June 2014, total equity attributable to owners of the Company was approximately HK\$1,031.9 million (31 December 2013: approximately HK\$984.7 million). The gearing ratio, which was measured on the basis of the interest-bearing borrowings of the Group over total equity attributable to owners of the Company, was approximately 10% as at 30 June 2014 (31 December 2013: approximately 6%).

Financial Review *(Continued)*

Pledge of Assets

As at 30 June 2014, the Group had secured the following assets:

- (a) the Group pledged the time deposits of approximately CAD1.3 million and HK\$0.7 million, totally equivalent to approximately HK\$10.3 million (31 December 2013: approximately CAD1.2 million and HK\$0.7 million, totally equivalent to approximately HK\$9.7 million) to certain banks for the issuance of a standby letter of credit and overdraft facility of approximately CAD1.5 million and several bank guarantees of approximately HK\$0.2 million and MOP0.5 million, totally equivalent to approximately HK\$11.7 million (31 December 2013: approximately CAD1.5 million, HK\$0.2 million and MOP0.5 million respectively, totally equivalent to approximately HK\$11.6 million) for the operations of the Group;
- (b) World Fortune Limited, an indirect wholly-owned subsidiary of the Company, pledged all (31 December 2013: all) of its shares in Pier 16 – Property Development Limited (“Pier 16 – Property Development”, an associate of the Group) to a bank, for and on behalf of the syndicate of lenders, in respect of the syndicated loan facilities of HK\$1,900 million and RMB400 million granted to Pier 16 – Property Development (the “Syndicated Loan Facilities”);
- (c) the Group’s self-occupied properties with carrying amount of approximately CAD2.4 million (equivalent to approximately HK\$17.4 million) (31 December 2013: approximately CAD2.4 million (equivalent to approximately HK\$17.4 million)), together with a time deposit of approximately CAD0.2 million (equivalent to approximately HK\$1.1 million) (31 December 2013: approximately CAD0.2 million (equivalent to approximately HK\$1.1 million)) were pledged to a bank to secure bank loans to Jade Travel, Canada; and
- (d) the Group’s certain asset with a carrying amount of approximately CAD14,000 (equivalent to approximately HK\$0.1 million) (31 December 2013: approximately CAD18,000 (equivalent to approximately HK\$0.1 million)) was pledged to secure a finance lease to Jade Travel, Canada.

Financial Review *(Continued)*

Contingent Liabilities

The Company gave a corporate guarantee (the “Guarantee”) to a bank in respect of the Syndicated Loan Facilities in 2012. The maximum guarantee amount borne by the Company under the Guarantee was HK\$1,176 million.

The outstanding loan under the Syndicated Loan Facilities as at 30 June 2014 was approximately HK\$923.9 million (31 December 2013: approximately HK\$1,048.8 million).

Human Resources

As at 30 June 2014, the Group had a total of 476 employees. Remuneration is determined on the basis of qualifications, experience, responsibilities and performance. In addition to the basic remuneration, staff benefits include medical insurance and retirement benefits. Share options may also be granted to eligible employees of the Group as a long-term incentive.

Prospects

While the economy of China is expected to grow steadily in the second half of 2014, the travellers from China with increasing spending power will continue to fuel the gaming, entertainment and tourist-related industries in Greater China.

The Group will keep up its efforts in expanding its lottery sales agency services network in China. Through the FIFA World Cup 2014 event, the lottery sales agency services of the Group have been proven reliable and capable of generating strong sales. The Group will relentlessly advance its services to lottery players to retain loyal customers and acquire new players. The new technology service platform for welfare lottery is currently under test run, and the Group is aiming to have it completed in the second half of 2014. Coupled with the new establishment in the welfare lottery sector, the Group is confident in capturing upcoming opportunities in the lottery market in China. The Group will also enrich its specialised online lottery platform 128cai.com by introducing live programmes in the near future to provide interactive services to customers.

Prospects *(Continued)*

Ponte 16, being the only integrated casino-entertainment resort in the Inner Harbour of Macau, will constantly add new elements to enrich guest experience in the resort. The previous efforts in organising various marketing and cultural events are shown to be rewarding in reinforcing the loyalty of existing customers and attracting new ones as well as building a stronger brand of Ponte 16. As part of the marketing strategies for the second half of 2014, Ponte 16 will feature another master chef from France to offer exquisite world-class cuisine at the French restaurant, Privé.

The construction plan of phase 3 of the Ponte 16 development project (the “Project”) is currently under reviewing process by the Macau Government. Occupying a gross floor area of approximately 40,000 square meters, the Project will soon become another preferred travel and leisure destination in Macau, which will consist of a shopping arcade, an entertainment and recreation complex, dining destinations as well as gaming zones.

Capture Success Limited, being a 55% indirectly owned subsidiary of the Company, entered into an agreement to dispose of its cruise ship M.V. Macau Success (the “Disposal”) at a consideration of HK\$93.0 million in July 2014. The Disposal, completed in August 2014, enabled the Group to realise its investment in the cruise ship with a gain and to enhance its working capital. The unaudited pre-tax gain, before expenses and non-controlling interests, from the Disposal is expected to be approximately HK\$44.2 million as calculated by reference to the consideration of HK\$93.0 million and the carrying value of the cruise ship as at 31 December 2013 of approximately HK\$48.8 million, and will be recognised in the second half of 2014.

While volatility in the economy of North America is expected to prevail, the Group will rigorously assess the market environment and consolidate the travel business to maintain its competitiveness. The Group will seek sustainable growth opportunities in the travel business by capturing every cross selling opportunity with Ponte 16 and its extensive clientele in China and Macau.

Looking ahead, the Group is well-prepared to materialise the goal of becoming a leading player in the gaming, entertainment and tourist-related industries. With confidence in the long-term outlook of the above industries, the Group is committed to creating value for its shareholders and customers.

DISCLOSURE OF INTERESTS

Directors' and Chief Executive's Interests in Securities

As at 30 June 2014, the Directors or chief executive of the Company and/or any of their respective associates had the following interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise, notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"):

Interest in the shares of the Company ("Share(s)")

Name of Director	Long position/ Short position	Nature of interest	Number of Shares held	Approximate percentage of shareholding %
Mr. Yeung Hoi Sing, Sonny (<i>Note</i>)	Long position	Corporate interest	2,466,557,462	50.07

Note: Mr. Yeung Hoi Sing, Sonny, an executive Director and the Chairman of the Company, was deemed to have corporate interest in 2,466,557,462 Shares by virtue of the interest of the Shares held by Silver Rich Macau Development Limited, which is wholly-owned by a discretionary trust, the beneficiaries of which are family members of Mr. Yeung Hoi Sing, Sonny.

Save as disclosed above, as at 30 June 2014, none of the Directors or chief executive of the Company, or their respective associates, had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise, notified to the Company and the Stock Exchange pursuant to the Model Code.

Share Option Scheme and Directors' Rights to Acquire Shares or Debentures

At the annual general meeting of the Company held on 5 June 2014, the shareholders of the Company approved the termination of the share option scheme which was adopted by the Company on 20 August 2004 (the "2004 Share Option Scheme") and the adoption of a new share option scheme (the "2014 Share Option Scheme"). The 2014 Share Option Scheme became effective on 10 June 2014 and the 2004 Share Option Scheme was terminated with effect from the same date. No options had been granted under the 2004 Share Option Scheme since its adoption and up to the date of its termination.

Pursuant to the 2014 Share Option Scheme, the Board may at a consideration of HK\$1 offer to grant options to selected eligible persons to subscribe for Shares as incentives or rewards for their contribution to the Group or any entity in which any member of the Group holds any equity interest and any subsidiary of such entity. The exercise price of any option will be determined by the Board in its absolute discretion, but in any event shall not be less than the highest of (i) the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the date on which the relevant option is offered; (ii) the average closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date on which the relevant option is offered; and (iii) the nominal value of a Share.

The maximum number of Shares available for issue under options which may be granted under the 2014 Share Option Scheme and any other share option scheme(s) of the Company is 492,649,119 Shares, being not more than 10% of the total number of Shares in issue as at the date of adoption of the 2014 Share Option Scheme.

The 2014 Share Option Scheme shall be valid and effective for 10 years from the date of adoption of the Share Option Scheme, i.e. 5 June 2014, subject to early termination by the Company in general meeting or by the Board.

No options had been granted under the 2014 Share Option Scheme since its adoption and up to 30 June 2014.

At no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Substantial Shareholders' Interests in Securities

As at 30 June 2014, the following persons (other than a Director or chief executive of the Company) had, or were deemed or taken to have, interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Interest in the Shares

Name of substantial shareholder	Long position/ Short position	Capacity	Number of Shares held	Approximate percentage of shareholding %
Silver Rich Macau Development Limited	Long position	Beneficial owner	2,466,557,462	50.07
Fiducia Suisse SA <i>(Note 1)</i>	Long position	Trustee	2,466,557,462	50.07
Mr. David Henry Christopher Hill <i>(Note 1)</i>	Long position	Interest of controlled corporation	2,466,557,462	50.07
Mrs. Rebecca Ann Hill <i>(Note 2)</i>	Long position	Interest of spouse	2,466,557,462	50.07
Ms. Liu Siu Lam, Marian <i>(Note 3)</i>	Long position	Interest of spouse	2,466,557,462	50.07
Maruhan Corporation	Long position	Beneficial owner	956,633,525	19.42

Notes:

1. The entire issued share capital of Silver Rich Macau Development Limited is held by Fiducia Suisse SA, which is a trustee of a discretionary trust, the beneficiaries of which are family members of Mr. Yeung Hoi Sing, Sonny. Fiducia Suisse SA is wholly-owned by Mr. David Henry Christopher Hill. Accordingly, each of Fiducia Suisse SA and Mr. David Henry Christopher Hill was deemed to be interested in 2,466,557,462 Shares held by Silver Rich Macau Development Limited.
2. Mrs. Rebecca Ann Hill, being the spouse of Mr. David Henry Christopher Hill, was deemed to be interested in 2,466,557,462 Shares in which Mr. David Henry Christopher Hill had a deemed interest.
3. Ms. Liu Siu Lam, Marian, being the spouse of Mr. Yeung Hoi Sing, Sonny, was deemed to be interested in 2,466,557,462 Shares in which Mr. Yeung Hoi Sing, Sonny had a deemed interest.

Substantial Shareholders' Interests in Securities *(Continued)*

Interest in the Shares (Continued)

Save as disclosed above, as at 30 June 2014, no other person (other than a Director or chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the Shares and underlying Shares which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

DISCLOSURE UNDER RULES 13.20 AND 13.22 OF THE LISTING RULES

Based on the disclosure obligations under Rules 13.20 and 13.22 of the Listing Rules, the financial assistance, which was made by the Group by way of the shareholder's loans provided by World Fortune Limited ("World Fortune"), an indirect wholly-owned subsidiary of the Company, and a corporate guarantee given by the Company in respect of the payment obligation of Pier 16 – Property Development Limited ("Pier 16 – Property Development", a 49% owned associate of World Fortune) under syndicated loan facilities granted to Pier 16 – Property Development (the "Financial Assistance"), continued to exist as at 30 June 2014. Pier 16 – Property Development is principally engaged in the investment, development and, through its subsidiaries, operating Ponte 16, a world-class integrated casino-entertainment resort located in Macau. The Financial Assistance is mainly used for the development and operations of Ponte 16.

The amounts of the Financial Assistance as at 30 June 2014 were set out below:

Name of associate	Shareholder's loans HK\$million	Corporate guarantee HK\$million	Aggregate Financial Assistance HK\$million
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Pier 16 – Property Development	856	1,176	2,032
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The shareholder's loans provided by World Fortune are unsecured, interest-free and have no fixed terms of repayment.

Further details are set out in notes 13 and 27 to the condensed consolidated financial statements.

Set out below is a consolidated balance sheet of Pier 16 – Property Development and the Group’s attributable interests in this associate according to its management account for the period ended 30 June 2014:

	Consolidated balance sheet HK\$’000	Group’s attributable interests HK\$’000
Non-current assets	2,028,892	994,157
Current assets	861,662	422,214
Current liabilities	(536,220)	(262,748)
Non-current liabilities	(2,787,876)	(1,366,059)

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the six months ended 30 June 2014, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with all the code provisions as set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules during the six months ended 30 June 2014.

CODES FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors (the “Code of Conduct”) on terms no less exacting than the required standard of the Model Code as set out in Appendix 10 of the Listing Rules.

Having made specific enquiry of all Directors, each of whom has confirmed his/her compliance with the required standard set out in the Code of Conduct and the Model Code throughout the six months ended 30 June 2014.

INFORMATION IN RESPECT OF DIRECTORS

Ms. Yeung Mo Sheung, Ann, an independent non-executive Director, resigned as an independent non-executive director of Hao Wen Holdings Limited, a company whose issued shares are listed on the Growth Enterprise Market of the Stock Exchange, with effect from 1 July 2014.

Save as disclosed above, there was no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules subsequent to the date of the Annual Report 2013 of the Company and up to the date of this report.

AUDIT COMMITTEE

The audit committee of the Board (the “Audit Committee”) comprises the non-executive Director, Mr. Choi Kin Pui, Russelle, and the three independent non-executive Directors, Mr. Luk Ka Yee, Patrick, Ms. Yeung Mo Sheung, Ann and Mr. Chin Wing Lok, Ambrose, with terms of reference prepared in accordance with the requirements of the Listing Rules. The Audit Committee is chaired by Mr. Chin Wing Lok, Ambrose who possesses appropriate professional accounting qualification as required under the Listing Rules.

The primary duties of the Audit Committee include, inter alia, monitoring integrity of the financial statements of the Company and ensuring objectivity and credibility of financial reporting, reviewing effectiveness of the internal control system of the Group, overseeing the relationship with the external auditors of the Company as well as ensuring maintenance of good corporate governance standard and procedures by the Company.

REVIEW OF INTERIM RESULTS

The unaudited interim results for the six months ended 30 June 2014 have been reviewed by the Audit Committee and HLB Hodgson Impey Cheng Limited, the auditors of the Company, which were of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

On behalf of the Board
Yeung Hoi Sing, Sonny
Chairman

Hong Kong, 28 August 2014